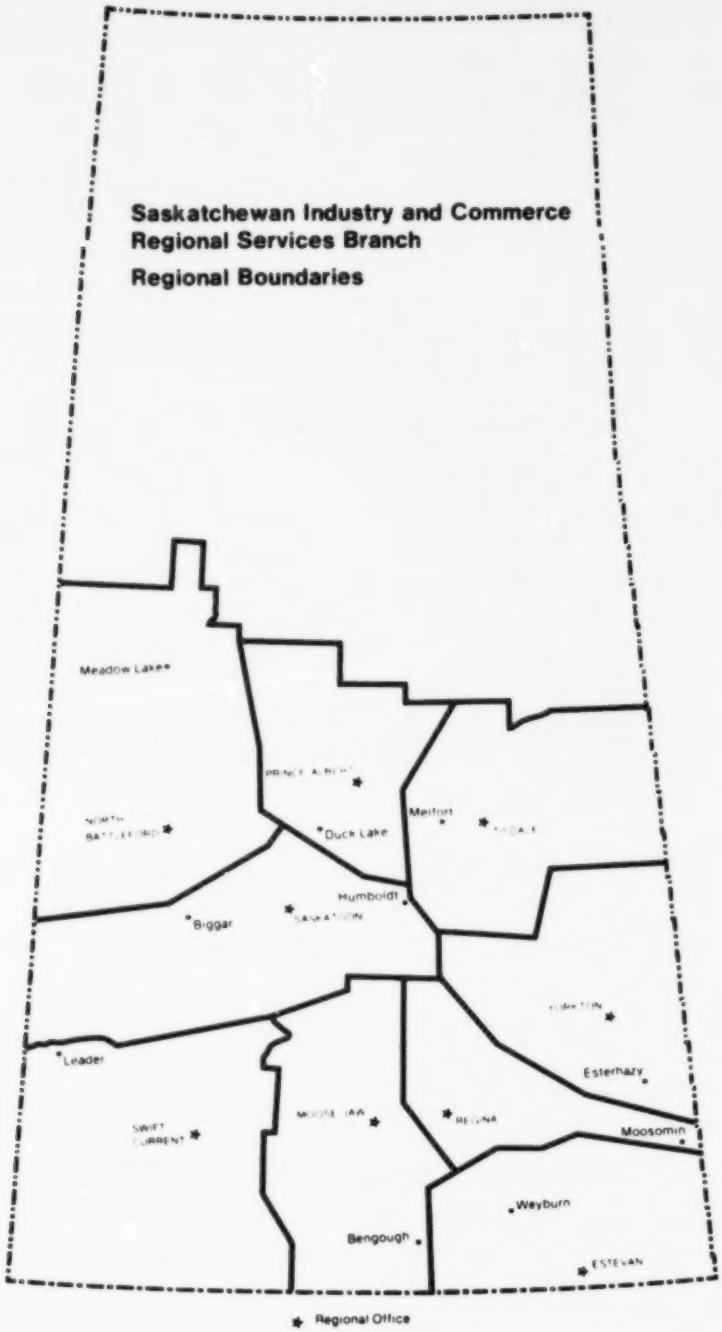
Saskatchewan - Depts. Repts. C.2

Government of Saskatchewan

Annual Report 1981-82

Saskatchewan Industry and Commerce



Saskatchewan Industry and Commerce Regional Offices

Estevan, 1219-5th St., S4A 0Z5
Telephone: (306) 634-6474
Moose Jaw, 217-110 Ominica St. W., S6H 6V2
Telephone: (306) 692-1876
North Battleford, Room 326, 1146-102nd St.
S9A 1E9 Telephone: (306) 445-4424
Prince Albert, 800 Central Ave., S6V 6Z2
Telephone: (306) 764-6897
Regina, 3rd Floor, 2121 Saskatchewan Dr., S4P 3V7
Telephone: (306) 565-2232
Saskatoon, 122-3rd Ave. N., S7K 2H6
Telephone: (306) 664-5750
Swift Current, 350 Cheadle St. W., S9H 4G3
Telephone: (306) 773-7283
Tisdale, P.O. Box 879, SGI Building, S0E 1T0
Telephone: (306) 873-2663
Yorkton, 41 Broadway W., S3N 0L6
Telephone: (306) 783-9747

Table of Contents

Organization Chart 3

Trade and Industry Services Division
Trade Branch 5
Import Replacement Branch 6
Industry Branch 6

Support Services Division
Promotions and Communications Branch 7
Administration Branch 7
Planning Branch..... 8
Program Management Branch..... 8

Regional Services Division
Field Services Branch..... 9
Community Economic Development Branch 9
Project Evaluation and Co-ordination Function..... 9

Programs and Projects Summaries
Aid to Trade Program..... 10
Employment Opportunities Program .. 10
Employment Support Program..... 11
Management Development Program .. 11
Operation Recycle Program..... 12
Product Development Program 12
Saskatchewan Main Street Development Program..... 13
Small Business Interest Abatement Program 13
Small Industry Development Program . 14
Special ARDA Program..... 14
Temporary Oilfield Servicing Support Program 15

From the Minister

The Honourable C. Irwin McIntosh
Lieutenant-Governor of the
Province of Saskatchewan

Sir:

I have the honour to present herewith the Annual Report of Saskatchewan Industry and Commerce for the fiscal year ending March 31, 1982.

Respectfully submitted,

Paul Rousseau

Honourable Paul E. Rousseau
Minister
Saskatchewan Industry and Commerce

From the Deputy Minister

Honourable Paul E. Rousseau
Minister
Saskatchewan Industry and Commerce

Sir:

I have the honour to submit for your consideration the Annual Report of Saskatchewan Industry and Commerce for the period April 1, 1981 to March 31, 1982.

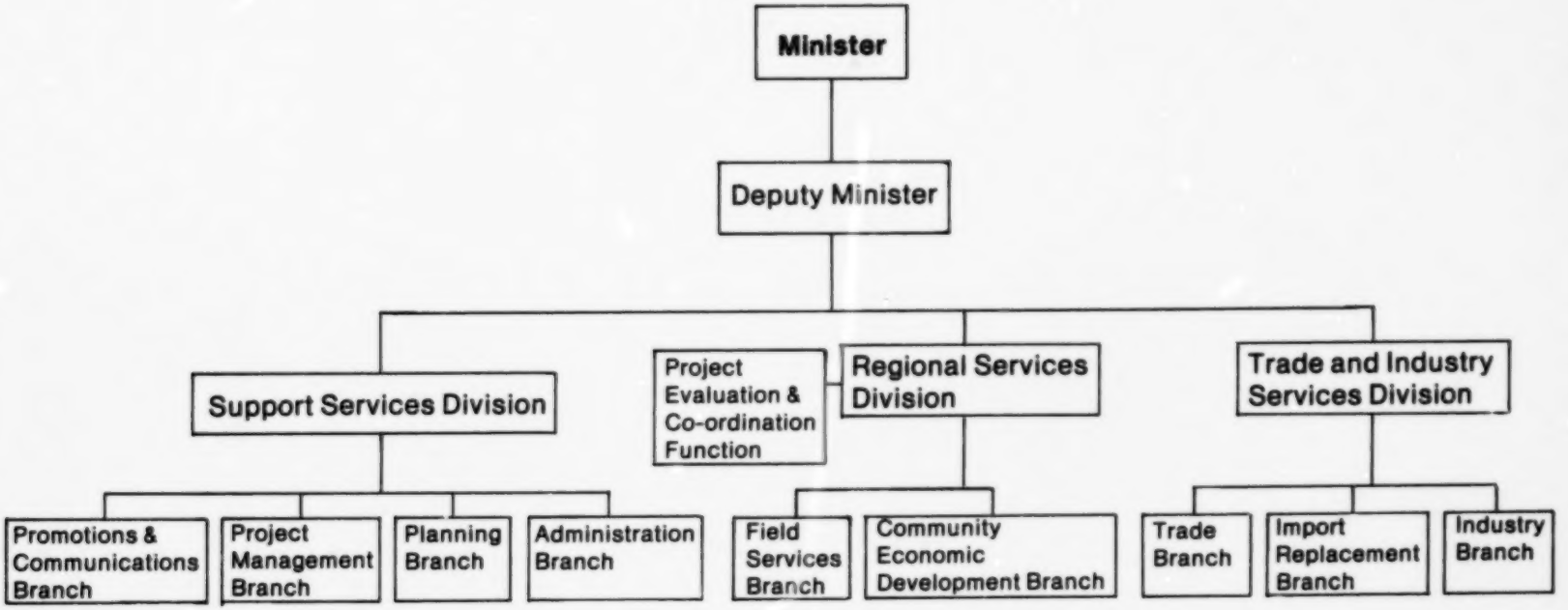
Respectfully submitted,

Jim Hutch

Jim Hutch
Deputy Minister
Saskatchewan Industry and Commerce

Organization Chart 1981-82

Saskatchewan Industry and Commerce



Trade and Industry Services Division

The division has the following primary functions:

1. to increase the sale of Saskatchewan-produced goods and services;

2. to encourage increased Saskatchewan content in resource development and capital projects, as well as in government procurement;

3. to facilitate the development of secondary industry in Saskatchewan, including the research of industrial opportunities;

4. to encourage locally-based enterprise to grow and prosper;

5. to increase international awareness of Saskatchewan as an attractive place to do business and as having the ability to supply quality goods and services in specific fields; and

6. to increase employment and economic development.

Trade Branch

The Trade Branch encourages domestic and export market development through several ongoing activities including:

Saskatchewan Implement Buyer's Guide

In 1982, 500,000 copies of the renamed Saskatchewan Implement Buyer's Guide were distributed to farmers and agricultural implement dealers throughout Canada and the northwestern United States and to Canadian trade posts abroad.

Improvements to the on-line data processing system insured that all product inquiries were handled quickly and more efficiently. This resulted in an improved turnaround time and manufacturers could react to product requests in a matter of days instead of weeks. Fifty-seven thousand product inquiries were recorded on the computer system.

Trade Fairs

The division purchased space at selected industry trade fairs in Canada, the U.S.A., and in special circumstances offshore, and allocated this space free-of-charge to Saskatchewan manufacturing firms. In some circumstances, pre-show and show-guide advertising were placed at division expense or cost-shared with participants.

The following shows were sponsored in fiscal year 1981-82:

1. **Ag Expo '82** — Spokane — 9 Saskatchewan companies;
2. **Canada Farm Show** — Toronto — 9 Saskatchewan companies;
3. **Ag Expo** — Lethbridge — 18 Saskatchewan companies;
4. **Canadian Western Farm & Ranch Show** — Edmonton — 19 Saskatchewan companies.

Aid to Trade Program

The Aid to Trade Program was instituted in 1973 to assist individual Saskatchewan manufacturing and processing firms in overcoming the constraints associated with a limited provincial market and to bridge deficiencies in existing federal trade assistance.

The program was designed specifically to assist firms with either introducing new products to the national and international marketplace or in cultivating new markets for existing products.

The program covers trade fairs, trade missions, incoming buyers, product promotion, market research, and sample shipments. These functional areas are deemed to be the fundamentals of any given marketing effort.

The department will contribute up to 50 per cent of project costs, payable after completion and upon submission of pertinent vouchers and a written report outlining the results.

Other Promotional Activities

The fourth annual **Western Canada Farm Progress Show** was held in Regina in June. Industry and Commerce participated on the show committee, sponsored the International Lounge and hosted a reception for incoming buyers. In addition, staff worked closely with the federal Department of Industry, Trade and Commerce in attracting and assisting international buyers.

Support of the eighth annual **Saskatchewan Handcraft Festival** was provided in the form of a $25,000 contractual agreement with the Saskatchewan Craft Council and $2,000 in prize money. The festival took place in Battleford July 17 - 19, 1981. Sales and orders reported by exhibitors totalled $84,000. Canadian and foreign visitors attending the show totalled 20,000.

The branch represented the province and Saskatchewan firms at the **"Technology for the People"** international trade show held in Mexico City, November 6 - 11, 1981. Approximately 250 exhibitors from 40 countries were present.

Branch staff attended various seminars, business meetings and official functions to further department contact with foreign and Canadian business people.

Import Replacement Branch

An office of government procurement was established mid-year. Initial activities consisted mainly of identifying the commodity requirements of all government departments and agencies (including the crown corporations) and cross-matching them with the product offerings of existing Saskatchewan manufacturers.

Concurrently, meetings commenced with all other provincial departments of industry and economic development to formulate plans to reduce the volume of imported products purchased with tax dollars by all levels of government.

Industry Branch

This branch has two primary functions:

1. to facilitate the development of secondary industry in Saskatchewan; and

2. to carry out research with respect to industrial opportunities in the province. This is done both independently and in co-operation with industrial clientele.

Industry development involves activity with a wide variety of clients both within the province and beyond. Branch personnel maintain regular contact with private sector firms throughout Canada and other countries. The work with clients requires frequent contacts with financial institutions, government agencies, trade associations and other private sector groups. Branch staff respond to a wide range of requests from the private sector and also actively seek out new clients in areas where there are believed to be industrial opportunities in Saskatchewan. Industry development activities include such factors as potential site locations, sources of finance, feasibility analysis, markets, transportation, provincial and federal government programs, and provision of industrial data related to all aspects of industrial activity within the province.

During the year branch staff provided services to 178 clients from within the province and 92 from outside Saskatchewan.

Research work carried out or managed by the department staff covers a very broad range of investigation into industrial and commercial activities. This branch handles a combination of independent in-house research normally in response to requests from the business community and contracted studies completed by consultants, the latter being cost-shared with business clients. Generally, large market or feasibility studies are contracted out to consultants who have the appropriate expertise in the area to be studied and smaller studies are completed by the research staff. Where cost-shared studies are contracted, branch research staff play a significant role in the selection of the consultants, development of the terms of reference, and the monitoring and evaluation of the work.

Research activities in the year included numerous department and client-activated in-house studies and reports and 16 studies which were completed by private consultants. The studies completed by either department research staff or private consultants related to a wide spectrum of products consumed by the resource sector, the agricultural sector, the construction industry, and the consumer market.

In addition to the research services provided to the business community, the branch provides technical advisory assistance to the business community directly or through consultants in other branches of the department.

Support Services Division

The Support Services Division consists of the Planning Branch, Administrative Services Branch, Program Management Branch and Promotions and Communications Branch. All provide support to programs and services offered by other branches in the department.

Promotions and Communications Branch

The promotions section encourages Saskatchewn entrepreneurs to more actively participate in the opportunities arising within the province and also encourages non-Saskatchewan manufacturers and processors to locate within the province.

Promotion activities such as forums, meetings, seminars and industry shows are held for specifically selected groups whose members are most likely to invest in the province. Close contact is maintained with other government departments (both provincial and federal), government agencies and Crown corporations, as well as potential investors, or joint-venture partners, across Canada and the U.S.A.

Staff worked with various associations during the year to encourage the development of three new industry shows for the province: the Saskatoon Business and Industrial Show, an import replacement show, and a tool and industrial productivity show.

Financial assistance was provided for the province's 12 city development officers to attend two European trade fairs and to follow-up on contacts made in the ministerial mission the year previous. As well, funds were provided for a trip to Toronto to promote Saskatchewan as a place to do business.

A staff member of the branch is acting as secretary-treasurer for the newly formed Saskatchewan Economic Developers Association.

The library provides reference services to department staff members. During the year 141 periodicals were ordered or renewed and 83 books were ordered. Staff reviewed and implemented mechanisms to streamline sourcing of material.

The communications unit works both independently and with other branches of the department to promote department objectives, programs, and services.

The unit planned and supervised placement of department print advertising for several programs and projects during the year. Work was also initiated on the development of an advertising strategy which would be consistent with the department's responsibilities.

Staff supervised the production and distribution of 11 informational and/or promotional booklets as well as the reprinting of several program brochures. A review of department publications was undertaken late in the fiscal year, and recommendations were made with respect to format, content, target audiences, and future direction in published material.

Ten news releases containing business news items or information about the department's activities were written and distributed during the year. A regular column promoting new Saskatchewan-made products for the Saskatchewan Chamber of Commerce's "Business Review" is written by the department.

Branch staff wrote speeches for the minister and deputy minister, responded to general inquiries, answered requests for information on the department for a variety of catalogues and indices, and maintained a newspaper clipping service for the department.

A complete update of the names on the department's computerized mailing system was undertaken to ensure thorough coverage of all business sectors for future mailings.

Communications staff worked on and at several displays which appeared at agricultural fairs in Yorkton, Saskatoon, the Battlefords, Prince Albert, and Melfort and a business fair in Saskatoon. Preparations for a display for the Energex Show (August 1982) in Regina also commenced during the year under review. Photos and copy were collected and prepared for a display on Canada in the Canadian Consulate in Birmingham, England.

Administration Branch

The Administration Branch is responsible for the co-ordination of departmental administrative processes and the provision of support services to other departmental branches and divisions in the areas of budgeting, accounting, property acquisition and control, space accommodation, personnel management, and co-ordination of systems development.

Some administrative highlights for 1981-82 include:

1. relocation of departmental offices to 2121 Saskatchewan Drive;
2. adaptation of department budget to computerized data base;
3. development of proposals from automated internal financial and program management information systems;
4. review of internal office systems and procedures including reorganization of the personnel and financial administration functions; and
5. introduction and administration of the Temporary Oilfield Servicing Support Program.

Planning Branch

The Planning Branch:

1. provides a policy and planning capability for the department;

2. establishes and maintains a high quality data base and analysis and information capability; and

3. develops and implements rigorous techniques for program evaluations and identifies program outputs and resources.

The department is responsible for application of the province's foreign investment policy. Branch staff evaluate Foreign Investment Review Agency applications which affect the province and communicate Saskatchewan's position to the Agency. During the year, 14 cases were referred to the province for analysis and recommendation. During that same time period, the federal government decided on 18 cases affecting Saskatchewan. The department also participates on the Environmental Impact Assessment Panel for the purpose of reviewing economic benefits of proposed developments to the province. In 1981-82, 22 cases were reviewed and recommendations were submitted.

An examination of purchasing policies by major industrial projects was undertaken through consultations with industry representatives of the resource sector and related government agencies. Also, an inventory of current and planned resource projects was issued in November, 1981.

A consulting firm was engaged to study venture capital financing in Saskatchewan, and another study was undertaken of the industrial research and development capabilities and potential in Saskatchewan. A joint study program into specific industrial opportunities initiated several years ago by British Columbia, Alberta and Saskatchewan was completed and reports were received on materials handling, industrial instrumentation, and pumps. A series of sector studies which will include metal fabrication, computer services, food processing, wholesale trade, services related to mining and oil, electrical and electronics industries, and building materials were initiated.

The development of a comprehensive business information system which identifies user groups and the information required by each was initiated. The system will make available a higher order of statistical information related to the Saskatchewan business community and will strengthen the department's information base on Saskatchewan's economic environment.

The branch planned an evaluation of all departmental programs and studies commenced on the Small Industry Development Program, the Product Development Program and the Employment Opportunities Program. Remaining programs will be evaluated in 1982-83.

Staff gathered and sorted information for the 1982 Manufacturers' Guide, and prepared information bulletins on topical subjects, papers on 14 business issues, a guideline to statistical sources of information and a statistical handbook. Staff attended nine conferences and participated on numerous committees dealing with subjects such as trade policy, competition policies, economic outlook, senior citizens programming, and native and community economic development.

Program Management Branch

This branch is responsible for the co-ordination of most business incentive programs in the department. They are the Small Industry Development Program, the Product Development Program, the Management Development Program, the Small Business Interest Abatement Program, the Employment Opportunities Program, the Special ARDA Program, the Employment Support Program, and the Operation Recycle Program.

Working in close contact with the Administraton Branch as well as the Regional Services Division, the staff of this branch ensure that the management of departmental programs for which it is responsible is carried out in an efficient and consistent manner.

Regional Services Division

The Regional Services Division is made up of the Field Services Branch, the Community Economic Development Branch and the Project Evaluation and Co-ordination Function. The division is responsible for the delivery of departmental programs and services to the general public throughout the province. Over the past two years, the division has been heavily involved in native economic development.

Field Services Branch

This branch has the responsibility of providing information, assistance and advisory services to the Saskatchewan business community. Through nine regional office locations, regional business representatives respond to requests for business-related information, advice and other assistance. In addition, field offices are responsible for delivering department programs and have the major responsibility for implementation of native economic development programming.

The branch places a priority on those activities which are developmental or supportive to maintaining or increasing employment opportunities. A higher order of priority is placed on manufacturing activity, small community stabilization, and native employment. The decentralized organization provides the department with the ability to respond readily to local business needs and initiatives. During the year 1981-82, 5,710 requests were handled by field offices. Services provided included:

1. provision of general business information, information on sources of assistance, general advice etc. in 5,029 situations;

2. in-depth counselling assistance for 681 businesses. Counselling varies widely and includes business evaluation and start-up assistance, assistance in accessing government and other funding programs, provision of general business advice, etc. In total, 15,000 hours of counselling assistance was provided; and

3. assistance in utilizing various provincial and federal government programs for 480 businesses.

Eight hundred and twenty counselling client files were active at year end.

Community Economic Development Branch

This branch is responsible for the provision of advisory and consultative services and the delivery of certain programming to Saskatchewan's smaller communities. The branch administers the Main Street Development Program, produces and distributes community profiles for 116 of the larger communities, provides advice and guidance on community development-related topics to town councils, development committees and other local organizations, and acts as a catalyst to bring business-related training to the smaller centres.

In September 1981, the branch launched a one-year Community Economic Development Pilot Project. Eleven communities in the 1,000 to 5,000 population range were selected to participate in training and in a series of planned activities to give them a better understanding of the development process and the potential of their communities. This self-help project is based on the assumption that through the joint action of their residents smaller communities can affect their future development. The pilot project included provision of a small amount of financial support for each of the communities involved.

The branch continued to provide financial and advisory support to the Northwest Economic Development Council which assists communities in the northwest central part of the province to maximize benefits from resource developments in the area. Financial assistance was again offered to defray part of the cost of attendance by community representatives involved in economic development at the Economic Development Training Program sponsored by the Industrial Developers Association of Canada in Waterloo, Ontario.

Project Evaluation and Co-ordination Function

Applications for assistance under the Small Industry Development Program, the Product Development Program, the Management Development Program, the Employment Opportunities Program, and the Special ARDA Program are generated from clientele throughout the province. These applications are evaluated and presented for final decisions by the project co-ordinator. One of the main purposes of this function is to attempt to ensure that there is consistency in application of program regulations and criteria.

Programs and Projects Summaries

Aid To Trade Program

Saskatchewan manufacturers and firms with technological export capabilities are eligible for assistance under Aid to Trade, provided that they have a product ready for sale.

Each Aid to Trade project must be for either:

(1) the introduction of a new product to market; or
(2) the development of a new market for an existing product.

Summary

	1981-82	1980-81	1979-80
Number of Projects	264	233	115
I&C Expenditure	$ 215,699	$ 155,888	$ 69,827
Estimated Value Sales Generated	$8,181,100	$6,854,492*	$6,477,838
Estimated Jobs Created	102	88	80

* Reported minimum. Estimated actual $10-12 million.

Employment Opportunities Program

The objective of the Employment Opportunities Program is to provide financial assistance to create and preserve employment for persons who are defined as eligible employees because they lack marketable life skills, have social, racial, cultural, or other locational barriers, or mental, physical or other handicaps.

Summary

	1981-82	1980-81	1979-80	1978-79
Applications Approved	45	54	28	43
Approved Grants	$1,274,616	$1,662,435	$427,980	$1,006,167
Total Expenditure by Applicants	$2,974,121	$2,144,440	$600,949	$2,040,383
Estimated Jobs Created	92	98	58	142

Employment Support Program

This program supplements the Employment Opportunities Program by way of providing financial assistance to businesses which intend to employ and train disadvantaged persons and the disabled. The program offers the added dimension of providing an incentive to employ and train disadvantaged persons.

In 1981-82, 13 applications were approved providing $194,199 in approved grants, subsidizing projects costing a total of $196,317.

This program has been utilized primarily to create employment and provide training for Indian and native people in Saskatchewan.

Summary

	1981-82	1980-81
Applications Approved	13	22
Total Approved Grants	$194,199	$267,424
Total Expenditure by Applicants	$196,317	$406,146

Management Development Program

The department encourages Saskatchewan manufacturers to improve required management skills by providing financial assistance under this program. Assistance may be provided to present courses which contribute to the improvement of required skills and knowledge where a manufacturer is experiencing difficulties. Also, the department can share the cost of engaging the services of a management consultant to study and make recommendations to resolve the problem.

Summary

	1981-82	1980-81	1979-80	1978-79
Applications Approved	35	36	40	21
Disbursements	$16,285	$25,266	$21,950	$13,049

Operation Recycle Program

The Operation Recycle Program is a scrap vehicle recovery activity which locates, collects, stores, and transports automobile hulks to a processing plant in Regina. The plant fragmentizes and separates the ferrous content of scrap vehicles for re-use as furnace feed in the steel-making process. The program also alleviates the disposal problem that discarded automobiles create in rural and urban areas.

Thirty-five contractors working in 63 contract areas gather vehicles and deposit them in 183 designated retention sites. Vehicles removed from retention sites are flattened and transported to IPSCO as often as is necessary to prevent congestion. All sites are located on municipal or Crown property and are provided without cost to the program.

During the year under review, 49 contract areas were tendered and contracts were awarded in 45 of the areas.

Summary

	1981-82	1980-81	1979-80	1978-79
Tons to IPSCO	13,176	13,141	13,231	16,485
Payments to Contractors	$1,034,406	$756,248	$843,839	$1,027,945
Sales to IPSCO	$ 791,042	$737,434	$656,408	$ 703,586

Product Development Program

Industry and Commerce provides financial assistance to Saskatchewan-based manufacturers and processors for the development of new products, to make changes or modifications to existing products, to develop new processes, and for mandatory testing required by regulatory agencies. In 1981-82, 41 applications were approved for grants totalling $223,488. The total cost of new product development in which the department participated was $590,058. Innovations and modifications assisted under this program included electronic equipment, farm implements, livestock trailers, and oil field equipment.

Summary

	1981-82	1980-81	1979-80	1978-79
Applications Approved	41	36	29	36
Total Grants Approved	$223,488	$248,047	$202,219	$200,837
Total Expenditure by Applicants	$590,058	$611,273	$521,606	$526,256

Saskatchewan Main Street Development Program

The objective of the Main Street Development Program is to assist local business communities and municipal authorities to initiate and carry out an ongoing program of revitalization of business districts by providing incentives to physically upgrade business premises in Saskatchewan's smaller centres. Saskatchewan Urban Affairs also participates in the program through the upgrading of public areas.

Under the program, the department will provide grants to merchants of 50 per cent of the costs of storefront renovations to established maximums.

Summary

	1981-82	1980-81	1979-80	1978-79
Number of Communities Participating	28	71	76	14
Total Grant Commitment by I&C	$ 353,760	$1,060,569	$1,400,000	$252,000
Total Value of Improvements	$1,016,306	$3,221,550	$4,820,000	$641,000

Small Business Interest Abatement Program

The purpose of this program is to stimulate small business investment in Saskatchewan by reducing the interest burden encountered by new or existing businesses which are expanding or improving facilities. Businesses in Saskatchewan with annual sales less than $500,000 may apply for an abatement grant on business loans provided that eligibility criteria of the program are met. For businesses in commnities of less than 6,000 people, the grant (a maximum of $500 per year) reduces the effective interest rate on loans by 4 per cent. In communities with more than 6,000 people, businesses can benefit to a maximum of $250 per year.

Summary

	1981-82	1980-81	1979-80	1978-79
Applications	807	439	490	590
Abatement Grants Approved	$305,020	$157,160	$240,660	$228,530

Small Industry Development Program

This program offers an incentive toward the establishment or expansion of small manufacturing and processing industries. The department provides interest-free loans which are forgiven over a two-year period provided terms and conditions of an agreement with the applicant are met.

In 1981-82, 117 applications were approved for loans totalling $563,328 which were estimated to create 256 new jobs. The program provided an incentive to the manufacturing sector to increase their capital costs by $4,230,636.

Analysis of these loans have shown that in 50 per cent of the cases, the project would not have proceeded if not for the loan. A further 30 per cent of the cases would have had to modify their projects or would have been delayed. The remaining 20 per cent of the projects would have proceeded; however, the loans proved to be of significant benefit to the project.

Summary

	1982-83	1980-81	1979-80	1978-79
Applications Approved	117	79	91	65
Total Loans Approved	$ 563,328	$ 442,492	$ 674,601	$ 517,944
Total Expenditure by Applicants	$4,230,636	$2,911,796	$3,402,396	$2,777,607
Estimated Jobs Created	256	136	204	176

Special ARDA Program

Special ARDA is a joint federal-provincial program designed to provide financial assistance, management advice, training, counselling, and other services for projects which will provide jobs, increase income, and improve living conditions for Indian and metis people in rural areas of Saskatchewan. During 1981-82, Special ARDA activity continued to grow steadily and an increasing number of native business people were assisted with establishing and/or expanding their enterprises.

In 1981-82, 56 applications were approved for grants totalling $2,098,855 which represented a 34 per cent increase over the previous fiscal year.

As of March 31, 1982, the Special ARDA Program ended due to the expiry of the second five-year agreement with the Department of Regional Economic Expansion. Negotiations for a new contract were undertaken.

Summary

	1981-82	1980-81	1979-80	1978-79
Applications Approved	56	36	17	13
Approved Grants — I&C and DREE	$2,098,855	$1,563,499	$ 533,019	$276,078
Total Expenditure By Applicants	$4,198,759	$1,870,324	$1,117,848	$554,325
Estimated Jobs Created	89	54	40	44

Temporary Oilfield Servicing Support Program (TOSS)

The TOSS program was a limited time program running from June 1 to October 31, 1981. It assisted the oil service sector which had been in a state of inactivity since the introduction of the National Energy Program in October 1980, and addressed two specific industry concerns:

1. retention of key personnel; and

2. retention of key pieces of oil-servicing equipment.

TOSS was open to firms located in the southeast or southwest production areas of the province which derived 70 per cent of their revenues from the oil well servicing industry during the year preceeding the program.

Assistance under TOSS included grants to employers for 90 per cent of their non-billable wage costs for employees retained on the payroll after June 1, 1981 and payment of a share of interest costs on equipment loans.

Disbursements totalling $283,846 were made to 20 clients.